

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **January 8, 2024**

OrthoPediatrics Corp.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

001-38242

(Commission File Number)

2850 Frontier Drive

Warsaw, Indiana

(Address of principal executive offices)

26-1761833

(I.R.S. Employer Identification Number)

46582

(Zip Code)

Registrant's telephone number, including area code: **(574) 268-6379**

Not Applicable

(Former name or former address, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.00025 par value per share	KIDS	Nasdaq Global Market

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 under the Securities Act (17 CFR 230.405) or Rule 12b-2 under the Exchange Act (17 CFR 240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act

Item 2.02. Results of Operations and Financial Condition.

On January 8, 2024, OrthoPediatrics Corp. (the "Company") issued a press release announcing its preliminary unaudited net revenue for the fourth quarter and full year ended December 31, 2023, providing management's projection of 2024 net revenue and providing a related business update. The press release is furnished herewith as Exhibit 99.1 and is incorporated herein by reference.

The information in this Item 2.02, including the information incorporated by reference herein from Exhibit 99.1, is furnished pursuant to Item 2.02 of Form 8-K and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

The financial information set forth in this Form 8-K reflects the Company's current preliminary net revenue estimates, is subject to the completion of its audit process, and is subject to change. The Company's fourth quarter and full year ended December 31, 2023 results could differ materially from the preliminary estimates provided in this form 8-K. The Company's net revenue for the full year ended December 31, 2024 could also differ materially from the forecasted amounts. You are cautioned not to place undue reliance on these forward-looking statements, which reflect management's analysis only as of the date of this Form 8-K. You should refer to the "Risk Factors" section of the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission (the "SEC") on March 1, 2023, as updated and supplemented by our other SEC reports filed from time to time, for a discussion of important factors that may cause our actual results and net revenue to differ materially from those expressed or implied by these forward-looking statements. Given these risks, uncertainties and other factors, many of which are beyond our control, you are cautioned not to place undue reliance on these forward-looking statements. The Company undertakes no obligation to publicly release the results of any revision or update of the forward-looking statements, except as required by law.

Item 7.01. Regulation FD Disclosure.

The executive officers of OrthoPediatrics Corp. have several upcoming presentations to representatives of investors and analysts. The officers intend to use the material filed as Exhibit 99.2 herewith, in whole or in part, as part of those presentations.

The information in this Item 7.01, including the information incorporated by reference herein from Exhibit 99.2, is furnished pursuant to Item 7.01 of Form 8-K and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release dated January 8, 2024
99.2	Orthopediatrics Corp. Investor Presentation dated January 2024
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.
OrthoPediatrics Corp.

Date: January 8, 2024

By: /s/ Daniel J. Gerritzen
Daniel J. Gerritzen,
General Counsel and Secretary



**OrthoPediatrics Corp. Announces Preliminary Unaudited Financial Highlights
for the Fourth Quarter & Full Year 2023**

Issues 2024 financial guidance

WARSAW, Ind., January 8, 2024 -- OrthoPediatrics Corp. ("OrthoPediatrics" or the "Company") (Nasdaq: KIDS), a company focused exclusively on advancing the field of pediatric orthopedics, today announced preliminary unaudited net revenue for the fourth quarter and full year ended December 31, 2023, and issued 2024 financial guidance.

During the fourth quarter of 2023 the Company helped nearly 20,000 children and since inception the Company has now helped over 710,000 children. Including Boston O&P, the combined organizations have helped more than 1 million kids.

Preliminary unaudited fourth quarter 2023 net revenue is expected to be \$37.6 million, representing growth of 21% compared to \$31.0 million in the fourth quarter of 2022. Preliminary domestic fourth quarter net revenue is expected to be \$28.3 million, representing 24% growth compared to the prior year period, and international net revenue is expected to be \$9.3 million, representing 13% growth compared to the prior year period.

Preliminary unaudited full year 2023 net revenue is expected to be \$148.7 million, representing growth of 22% compared to \$122.3 million in 2022. Preliminary full year domestic net revenue is expected to be \$111.0 million, representing 20% annual growth and international net revenue is expected to be \$37.7 million, representing 26% annual growth.

"Despite historically high rates of respiratory illness in the back half of the fourth quarter, we produced strong revenue growth of 21%, reflecting continued commercial and operational execution," commented David Bailey, President & CEO of OrthoPediatrics. "OrthoPediatrics remains in its strongest strategic position of all time, supported by an expanding user base, robust product portfolio, recent acquisitions, and a growing international presence."

Post closing of the Boston O&P acquisition on January 5, 2024, OrthoPediatrics cash and restricted cash balance is approximately \$60 million. OrthoPediatrics entered into a new credit agreement with MidCap Financial, consisting of term loan and revolving loan. The term loan provides up to \$30 million of capital and the revolving loan provides up to an additional \$50 million, for a total consideration of \$80 million. In advance of the acquisition, OrthoPediatrics drew an initial \$10 million from the term loan.

2024 Financial Guidance

OrthoPediatrics projects 2024 revenue to be in the range of \$197 million to \$200 million, including revenue contribution from Boston O&P and representing 32% to 34% growth compared to full year 2023 preliminary unaudited net revenue. The acquisition is expected to be accretive to OrthoPediatrics adjusted EBITDA in 2024 and accretive to revenue growth in 2025, following the completion of integration activities. Boston O&P's recent annual historical revenue is approximately \$25 million. Boston O&P was a customer of OrthoPediatrics, purchasing the MD Orthopedics clubfoot specialty brace as well as a supplier to OrthoPediatrics, manufacturing the recently launched DF2 brace.



The Company plans to release its fourth quarter and full year 2023 financial results and provide additional commentary on its financial outlook in March. The quarterly and annual preliminary unaudited net revenue estimates for 2023 included in this press release are prior to the completion of review and audit procedures by the Company's independent registered public accounting firm and are therefore subject to adjustment.

Forward-Looking Statements

This press release includes "forward-looking statements" within the meaning of U.S. federal securities laws, including the statements regarding OrthoPediatrics' preliminary net revenue for the fourth quarter ended December 31, 2023, and other statements identified by the use of words such as "may," "might," "will," "should," "expect," "plan," "anticipate," "could," "believe," "estimate," "project," "target," "predict," "intend," "future," "goals," "potential," "objective," "would" and other similar expressions. Forward-looking statements involve risks and uncertainties, many of which are beyond OrthoPediatrics' control. Important factors could cause actual results to differ materially from those in the forward-looking statements, including, among others: the risks related to COVID-19, the continued impact such pandemic may have on the demand for our products, and our ability to respond to the related challenges; and the risks, uncertainties and factors set forth under "Risk Factors" in OrthoPediatrics' Annual Report on Form 10-K filed with the Securities and Exchange Commission (the "SEC") on March 1, 2023 as updated and supplemented by our other SEC reports filed from time to time. Forward-looking statements speak only as of the date they are made. OrthoPediatrics assumes no obligation to update forward-looking statements to reflect actual results, subsequent events, or circumstances or other changes affecting such statements except to the extent required by applicable securities laws.

About OrthoPediatrics Corp.

Founded in 2006, OrthoPediatrics is an orthopedic company focused exclusively on advancing the field of pediatric orthopedics. As such it has developed the most comprehensive product offering to the pediatric orthopedic market to improve the lives of children with orthopedic conditions. OrthoPediatrics currently markets 70 systems that serve three of the largest categories within the pediatric orthopedic market. This product offering spans trauma and deformity, scoliosis, and sports medicine/other procedures. OrthoPediatrics' global sales organization is focused exclusively on pediatric orthopedics and distributes its products in the United States and over 70 countries outside the United States. For more information, please visit www.orthopediatrics.com.

Investor Contact

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Gilmartin Group
philip@gilmartinir.com
415-937-5406



2024
**Investor
Presentation**



www.OrthoPediatrics.com



Disclaimer

Forward-Looking Statements

All statements, other than statements of historical facts, contained in this quarterly report, including statements regarding our business, operations and financial performance and condition, as well as our plans, objectives and expectations for our business, operations and financial performance and condition, are forward-looking statements. You can often identify forward-looking statements by words such as "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "might," "target," "ongoing," "plan," "potential," "predict," "project," "should," "will" or "would" or the negative of these terms or other terms. Forward-looking statements involve known and unknown risks, uncertainties and other factors, such as the impact of widespread health emergencies, such as COVID 19 and respiratory syncytial virus, that may cause our results, activity levels, performance or achievements to be materially different from the information expressed or implied by the forward-looking statements. Forward-looking statements may include, among other things, statements relating to: our ability to achieve or sustain profitability in the future; our ability to raise additional capital to fund our existing commercial operations, develop and commercialize new products and expand our operations; our ability to commercialize our products in development and to develop and commercialize additional products through our research and development efforts, and if we fail to do so we may be unable to compete effectively; our ability to generate sufficient revenue from the commercialization of our products to achieve and sustain profitability; our ability to comply with extensive government regulation and oversight both in the United States and abroad; our ability to maintain and expand our network of third-party independent sales agencies and distributors to market and distribute our products; and our ability to protect our intellectual property rights or if we are accused of infringing on the intellectual property rights of others; We cannot assure you that forward-looking statements will prove to be accurate, and you are encouraged not to place undue reliance on forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations expressed or implied by the forward-looking statements. You are urged to carefully review and consider the various disclosures made by us in our quarterly report, in our Annual Report on Form 10-K filed with the Securities and Exchange Commission (the "SEC") on March 1, 2023, and in other reports filed with the SEC that discuss the risks and factors that may affect our business. Other than as required by law, we undertake no obligation to update or revise any forward-looking statements to reflect new information, events or circumstances occurring after the date of this quarterly report.

Use of Non-GAAP Financial Measures

This press release includes certain non-GAAP financial measures such as adjusted diluted earnings (loss) per share and Adjusted EBITDA, which differ from financial measures calculated in accordance with U.S. generally accepted accounting principles ("GAAP"). Adjusted earnings (loss) per share in this press release represents diluted earnings (loss) per share on a GAAP basis, plus the accreted interest attributable to acquisition installment payables, the fair value adjustment of contingent consideration, trademark impairment, acquisition related costs, non-recurring Pega conversion fees, and minimum purchase commitment costs. The fair value adjustment of contingent consideration is associated with our estimates of the value of exit-outs in connection with certain acquisitions and the non-recurring Pega conversion fees are related to our response to a previously disclosed SEC review. We believe that providing the non-GAAP diluted earnings (loss) per share excluding these expenses, as well as the GAAP measures, assists our investors because such expenses are not reflective of our ongoing operating results. Adjusted EBITDA in this release represents net loss, plus interest expense, net plus other expense, provision for income taxes (benefit), depreciation and amortization, stock-based compensation expense, fair value adjustment of contingent consideration, acquisition related costs, non-recurring conversion fees, trademark impairment and the cost of minimum purchase commitments. The Company believes the non-GAAP measures provided in this earnings release enable it to further and more consistently analyze the period-to-period financial performance of its core business operating performance. Management uses these metrics as a measure of the Company's operating performance and for planning purposes, including financial projections. The Company believes these measures are useful to investors as supplemental information because they are frequently used by analysts, investors and other interested parties to evaluate companies in its industry. Adjusted EBITDA is a non-GAAP financial measure and should not be considered as an alternative to, or superior to, net income or loss as a measure of financial performance or cash flows from operations as a measure of liquidity, or any other performance measure derived in accordance with GAAP, and it should not be construed to imply that the Company's future results will be unaffected by unusual or non-recurring items. In addition, the measure is not intended to be a measure of free cash flow for management's discretionary use, as it does not reflect certain cash requirements such as debt service requirements, capital expenditures and other cash costs that may occur in the future. Adjusted EBITDA contains certain other limitations, including the failure to reflect our cash expenditures, cash requirements for working capital needs and other potential cash requirements. In evaluating these non-GAAP measures, you should be aware that in the future the Company may incur expenses that are the same or similar to some of the adjustments in this presentation. The Company's presentation of non-GAAP diluted earnings (loss) per share or Adjusted EBITDA should not be construed to imply that its future results will be unaffected by any such adjustments. Management compensates for these limitations by primarily relying on the Company's GAAP results in addition to using these adjusted measures on a supplemental basis. The Company's definition of these measures is not necessarily comparable to other similarly titled captions of other companies due to different methods of calculation. The schedules below contain reconciliations of reported GAAP diluted earnings (loss) per share to non-GAAP diluted earnings (loss) and net loss to non-GAAP Adjusted EBITDA.



OrthoPediatrics was founded on the **cause** of impacting the lives of children with orthopedic conditions

+ 1,000,000

pediatric patients treated since inception¹

2024 // Investor Presentation

¹ Includes patients treated by MD Orthopaedics (MDO), Pega Medical (Pega), and Boston Orthotics & Prosthetics (Boston O&P) since inception



- 01 Children's **unique clinical conditions**
- 02 Existing solutions are **re-purposed from adult implants**
- 03 Limited development of **new technologies**
- 04 No **specialized sales force** in Pediatric Orthopedics
- 05 Limited industry support of clinical **education**

Re-Purposed Adult Plate
Screws through growth plate



PediLoc Femur

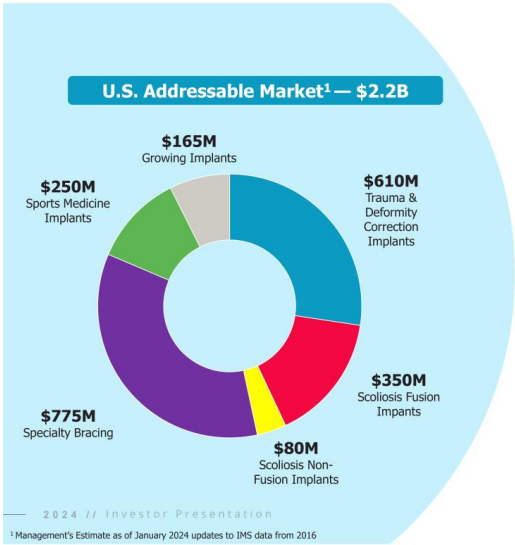
Screws parallel to growth plate



- ✓ Enhance surgeon confidence
- ✓ Increase surgical efficiency
- ✓ Improve surgical accuracy

- 01 **Product development focused** exclusively on pediatric patients
- 02 **Broadest pediatric specific portfolio** in the industry
- 03 Delivering first in market **novel surgical solutions**
- 04 Only global **commercial channel to market**
- 05 Leading provider of surgeon **clinical education**

Total Global Addressable Market – \$5.0B



Competitive Dynamics

- 01 Large incumbents repurpose adult implants
- 02 Require specialized sales force
- 03 Lack of focus on pediatric conditions



Only Focused Pediatric Orthopedic Company



Innovative Technology

70 unique pediatric systems
Consistent **cadence** of innovative product launches
Expanding suite of **enabling** technologies
Internal **R&D**, acquisitions, and partnerships



Commercial Execution

Only global sales & distribution channel
Serve **100% of top children's hospitals** in the U.S.
~**200** domestic field representatives
Sell in **over 70** countries around the world



Clinical Education

Commitment to clinical education
Leading **sponsor** of critical pediatric medical societies
>300 clinical product/education events per year
Founder of Foundation of Advancing Pediatric Orthopedics

**Consistent
20%+
Growth
Since Inception¹**

2024 // Investor Presentation

¹ Excluding COVID-impacted 2020



01



Laser focus on high-volume Children's Hospitals that treat majority of pediatric patients

02



Provide a **broad product portfolio** uniquely designed to treat children, surround pediatric orthopedic surgeons covering their needs

03



Deploy instrument sets and provide unparalleled sales support

04



Expand addressable market through aggressive investment in **R&D and select M&A opportunities**

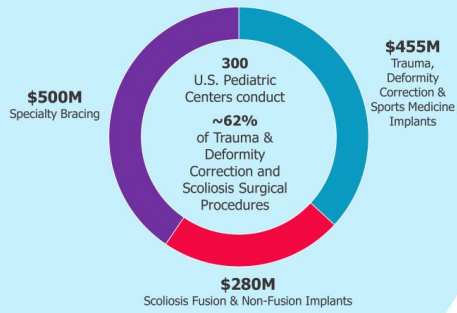
05



Train next generation of pediatric orthopedic surgeons

01 Focus on High-Vol Children's Hospitals

U.S. Current Target Market¹ — \$1.2B



2024 // Investor Presentation
¹ Management's Estimate as of January 2024 updates to IMS data from 2016

Current Global Target Market — \$2.8B

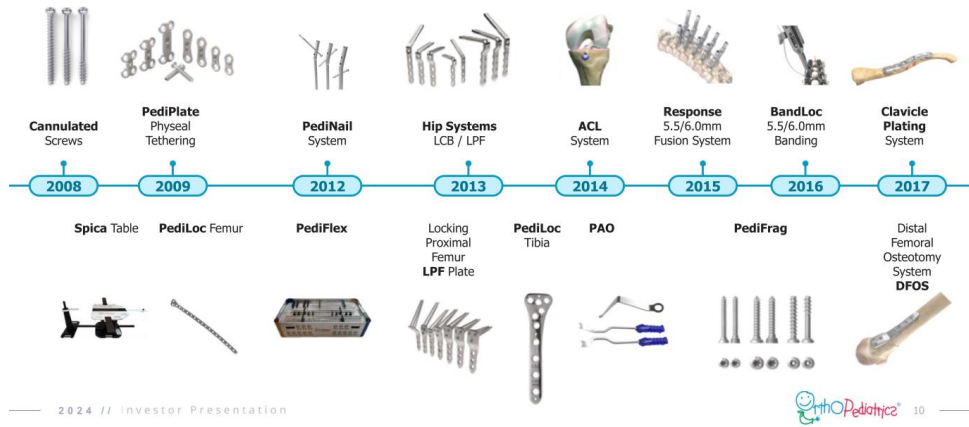


Comments

- 01 ~1,520 Fellowship Trained Pediatric Surgeons
- 02 Majority of Pediatric Centers are Teaching Hospitals
- 03 Centers Treat Most Complex Pediatric Conditions
- 04 ~80% of Pediatric Surgeons time is Non-Surgical

02 Broad Product Portfolio

Pre-IPO Transitioned from Early Entry to Clinically Significant



03 Expand Instr. Sets & Sales Personnel

Total Revenue (\$M)

+21.9%
CAGR



2024 // Investor Presentation

¹ Impacted by COVID

Accelerating Sales Growth Post-IPO
Through Strategic Investment and Innovation

	2016	2022	CAGR
U.S. Independent Sales Consultants	90	197	14%
Instrument Set Deployments	\$7M	\$20M	20%
Unique Pediatric Systems	17	46	18%
Intl. Independent Sales Agencies	0	14	Fav



Accelerate Revenue Growth



Increase Hospital Penetration



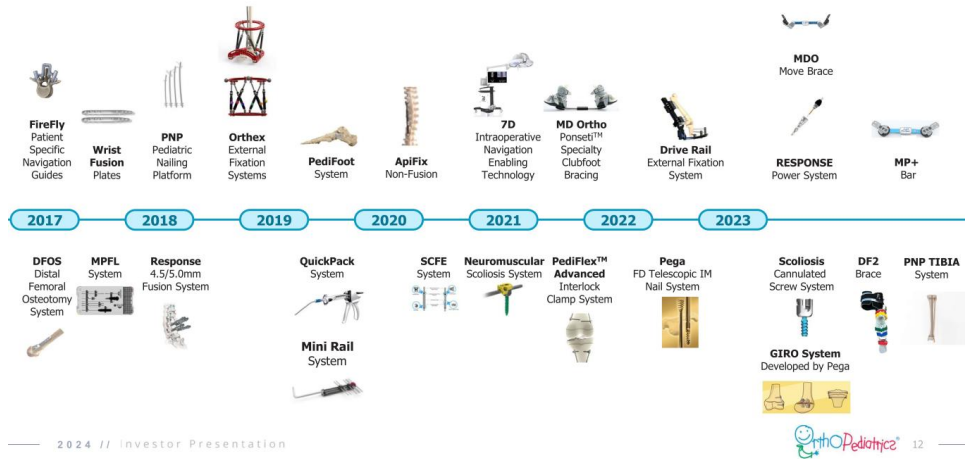
Improve Profitability

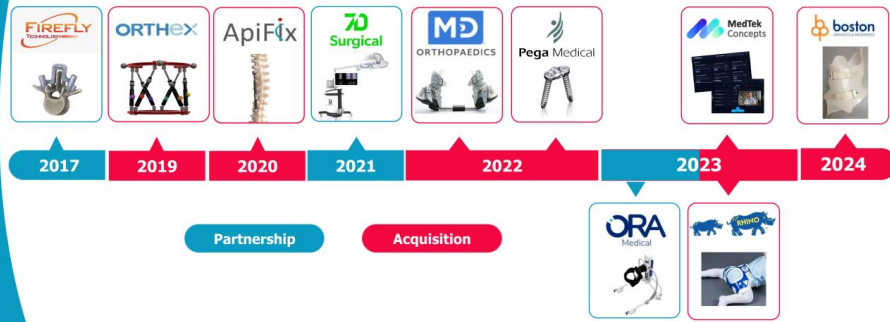


Leverage Balance Sheet

04 Expand Market with R&D

Post-IPO moved from Clinically Significant to Disruptive





04 Expand Market with M&A

Boston Orthotics & Prosthetics

- Pioneered the original patient-specific, custom **Boston Scoliosis Brace**
- Currently has **5 disease state focuses** with **17 different product offerings**
- **Custom manufacturing** and fabrication center based outside of Boston, MA
- Newly established **headquarters** for the OrthoPediatrics Specialty Bracing (OPSB) division
- Owns and operates **26 pediatric / adolescent focused O&P clinics** (w/CPOs) in 10 states, mainly New England area

Terms:

- Closed January 5, 2024
- \$22M Cash

2024 // Investor Presentation

Acquired Innovative Technologies

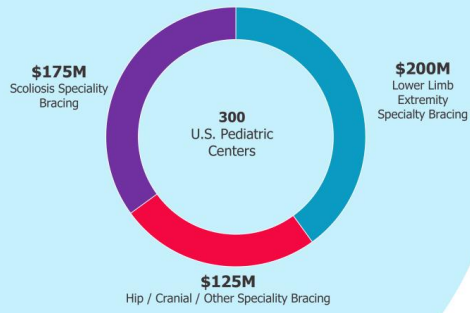
State-of-the-Art Products - - That Better Each Patient's Life



OrthoPediatrics® 14

04 Expand Market with M&A

U.S. Specialty Bracing Market ¹ — \$0.5B



2024 // Investor Presentation
¹ Management's Estimate as of January 2024 updates to IMS data from 2016

Current Global Target Market — \$1.1B

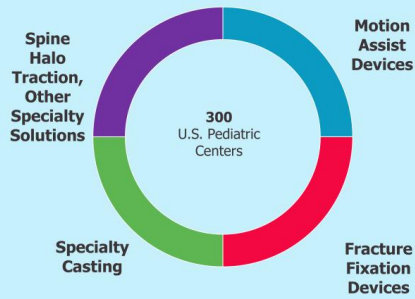


Comments

- 01 ~80% of Pediatric Surgeons Time is Non-Surgical
- 02 Same Surgeons Who Use OP Surgical Products
- 03 Relationship with OP Sales Channel
- 04 Surrounds the Surgeon with all the Products They Need

04 Expand Market with M&A

U.S. Potential Target Market ¹ — \$1.0B



2024 // Investor Presentation
¹ Management's Estimate as of January 2024 updates to IMS data from 2016

Potential Global Target Market — \$2.2B



Levity Device for Gait Assist



Dynamic Femur Fracture (DF2) Brace

PLAYBOOK

Workflow & Care Optimization for the OR

Better care requires improved planning, communication & support to deliver reproducible outcomes



04 Expand Market with M&A

MD Orthopaedics

- Develops, manufactures and sells the patented Mitchell Ponseti Ankle-Foot Orthosis (AFO) to treat clubfoot
- Dr. Ignacio Ponseti developed the gold standard for treating clubfoot which has >90% success rate
- Casting is used from 0-3mos then bracing from 3mos-4 years. Requires multiple sizes as child grows creating repeat revenue.
- Products sold in 90 countries including e-commerce platform direct to consumers
- Approximately 80% of a pediatric surgeon's treatment time is non-surgical
- Creates a profitable platform business for OP to develop and manufacture best-in-class specialty bracing with speed to market (class 1 device) as well as no consignment inventory required to grow the business

Terms:

- Closed April 1, 2022
- \$8.2M cash, \$8.9M shares, \$2.5M RSA

Acquired Innovative Technologies

The diagram illustrates the 'Ponseti 4AFO SOLUTIONS' product line. It features a central box with the text 'Ponseti 4AFO SOLUTIONS' and four arrows pointing to different brace types: 'Standard AFO', 'PLANTAR FLEXION STOP', 'TOE STILT', and 'PLANTAR FLEXION STOP / TOE STILT'. Each type is accompanied by a small image of the respective brace. Below the diagram is a photograph of a smiling baby wearing a Ponseti brace, with colorful lines indicating the brace's placement on the foot and ankle. The 'Ponseti' logo is visible on the brace.

Pega Medical

- Developed the Fassier-Duval Telescopic Intramedullary Nail System (FD Nail)
- FD Nail is cutting-edge implant designed to treat bone deformities in children with Osteogenesis Imperfecta without disrupting their normal growth
- Pega offers 7 products in total, 6 of which focus on limb deformity correction, and 1 trauma
- Products sold in 70 countries
- Approximately 35,000 children suffer from Osteogenesis Imperfecta in the U.S.

Terms:

- Closed July 5, 2022
- \$31M cash, \$2M stock



04 Expand Market with M&A

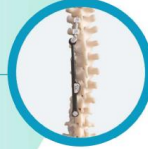
Orthex

- Disruptive software complements ex-fix frame
- Expands addressable market
- Serve 85% of procedures, up from 65%
- Significantly simplifies surgical planning and alignment
- Enables participation in most complex surgeries



ApiFix

- Disruptive non-fusion technology
- Viable alternative to failed bracing & spinal fusion
- Posterior, minimally invasive approach
- Motion preserving capabilities
- Granted FDA HDE approval



Acquired Innovative Technologies

- ✓ Acquired software-based and non-fusion technologies
- ✓ Significant sales synergies with legacy portfolio
- ✓ Expands critical KOL network
- ✓ Provides surgeons broadest product portfolio



FIREFLY® Pedicle Screw Navigation Guides



FireFly S2/Alar



Unique patient specific 3D printed bone models and drill guides, can be used with any Spinal Deformity Correction system.

- 99.7% screw placement accuracy
- Preoperative concierge surgical planning drives intraoperative efficiency
- Minimal intraoperative radiation
- Simplifies S2AI approach

7D Surgical Intraoperative Navigation



- 🚫 **Eliminates Radiation** exposure to staff & patients
- 🕒 **Cuts Registration** from 30 min to < 30 sec
- 🎯 **Improves Accuracy** to improve surgical outcomes
- 💰 **Reduces Costs** & improve hospital economic value

Chris Comstock, MD & Eric Wait, MD
Driscoll Children's Hospital
First Pediatric Deformity Installation in US



2024 // Investor Presentation



“ I have noticed we are seeing **shorter stays** for our patients with complex spinal surgeries since we have started using the 7D technology. **It used to be children would stay 3-5 days at Driscoll following surgery. Now what we are seeing is most of them are going home after 3 days.** And that is better for kids and their families

What we are seeing with this technology is surgeries which might have **taken up to 5-6 hours are often being reduced to 3.5 hours**”

Dr. Eric Wait
Driscoll Children's Hospital

05 Train Next-Gen Surgeons

“As a surgeon educator, I have always appreciated and valued OrthoPediatrics’ commitment to education.”

Ryan Goodwin, MD, MBA, FAOA
The Cleveland Clinic



2024 // ANNUAL REPORT

Physician Education and Awareness

01

OP Hands-on sales training and support

- Annually invests 3% of sales on clinical education
- Conducts >300 product/training sessions per year

02

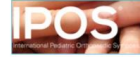
Market development

- Fosters early relationships with young surgeons and fellows to drive sustainable growth

03

Continuous education

- Major Sponsor of the prominent pediatric orthopedic societies



T&D

- Expanding intramedullary nailing portfolio
- Expanding of external fixation portfolio
- Expanding specialty bracing portfolio
- Solutions for rare bone disease

Scoliosis

- Advancing non-fusion treatment
- Early-onset scoliosis innovations
- Innovation in highly-complex fusion
 - Manual growing, rib based, etc.
- Custom Scoliosis Bracing

Enabling Technologies

- Orthex surgical software
- Firefly patient-specific planning/guides
- 7D spinal interoperative navigation
- PediPortal app
- Medtech Concepts – Acquired May 1, 2023





Trauma & Deformity



70% of Revenue



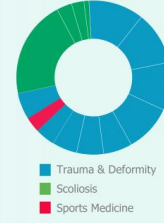
Scoliosis

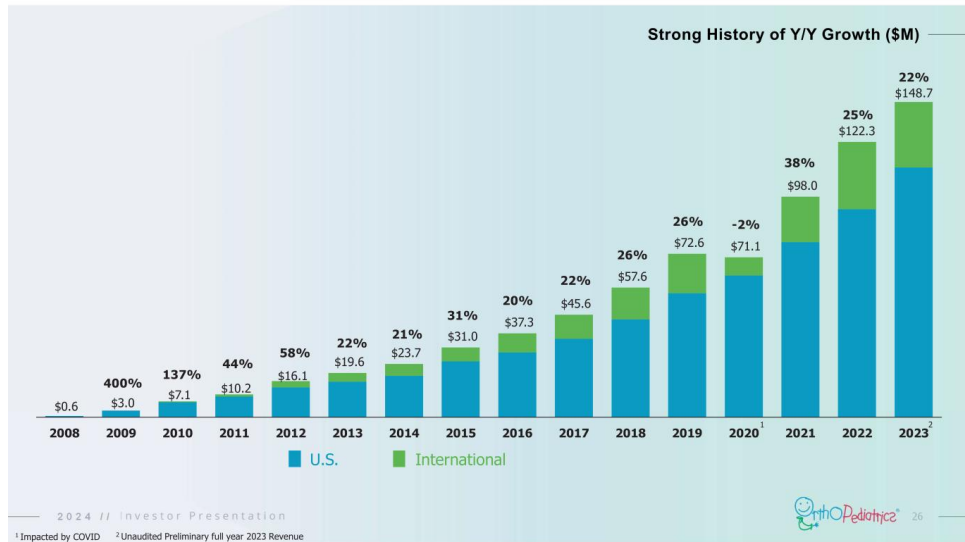


27% of Revenue



2022 Revenue by Product Family

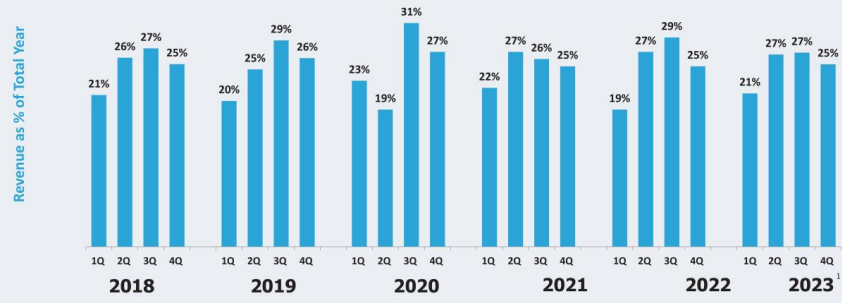




Category Revenue Summary



Seasonality Drives Stronger Performance in Summer Months and Holiday Periods



¹ Based on the Company's unaudited preliminary full year 2023 revenue

(\$ in Millions)

Unaudited Preliminary Fourth Quarter and Full Year 2023

Fourth Quarter Revenue	2023
Total Net Revenue	\$37.6
Growth %	21%
U.S.	\$28.3
Growth %	24%
International	\$9.3
Growth %	13%

Full Year Revenue	2023
Total Net Revenue	\$148.7
Growth %	22%
U.S.	\$111.0
Growth %	20%
International	\$37.7
Growth %	26%

Cash	As of January 5, 2024
Cash and restricted cash balance (Post Boston O&P close)	~\$60
Available Under Credit Facility	\$70 ¹

¹ The Company has an additional \$50 million available under its newly established credit facility and can access an additional \$20 million upon satisfying certain financial requirements

(\$ in Millions)

Full Year 2024 Guidance

2024 Guidance

	FY2024
Revenue	\$197.0 to \$200.0

Assumptions

	FY2024
2024 Total Revenue Growth %	32% to 34%
Boston O&P	Acquisition expected to be accretive to OrthoPediatrics adjusted EBITDA in 2024 and accretive to revenue growth in 2025 Boston O&P's recent annual historical revenue is approximately \$25

Income Statement Summary

(\$ in Millions)

	FY 2020	FY 2021	FY2022	3Q 2023	3Q 2022
Revenue	\$71.1	\$98.0	\$122.3	\$40.0	\$35.0
Growth %	(2%)	38%	25%	14%	39%
Gross profit	\$55.0	\$73.4	\$90.7	\$31.0	\$25.9
Margin %	77%	75%	74%	77%	74%
Operating expenses	\$81.8	\$91.4	\$116.1	\$35.5	\$32.9
Operating loss	(\$26.8)	(\$18.0)	(\$25.4)	(\$4.5)	(\$7.0)
Net (loss) income	(\$32.9)	(\$16.2)	\$1.3	(\$4.6)	\$18.5
EPS diluted	(\$1.82)	(\$0.84)	\$0.06	(\$0.20)	\$0.87

(\$ in Millions)

Revenue By Geography and Product Category

Product Sales by geography	Three Months Ended September 30,	
	2023	2022
U.S.	\$29.4	\$26.5
International	\$10.6	\$8.4
Total Revenue	\$40.0	\$35.0

Product Sales by category	Three Months Ended September 30,	
	2023	2022
Trauma and deformity	\$28.8	\$23.9
Scoliosis	\$10.3	\$10.0
Sports medicine/other	\$0.9	\$1.1
Total Revenue	\$40.0	\$35.0

(\$ in Millions)

Adjusted EBITDA Reconciliation

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net (loss) income	(\$4.6)	\$18.5	(\$14.3)	\$9.1
Interest expense, net	0.0	0.7	0.1	2.5
Other (income) expense	(0.8)	0.9	(1.4)	1.7
Provision for income taxes (benefit)	0.8	(4.1)	(0.1)	(4.9)
Depreciation and amortization	4.3	3.3	12.2	9.6
Stock-based compensation	2.4	1.8	7.8	5.1
Trademark impairment	1.0	3.6	1.0	3.6
Fair value adjustment of contingent consideration	-	(23.0)	(3.0)	(25.5)
Acquisition related costs	0.0	0.1	0.2	0.8
Nonrecurring Pega conversion fees	-	-	0.3	-
Minimum purchase commitment cost	0.5	0.1	1.1	0.4
Adjusted EBITDA	\$3.6	\$1.9	\$3.8	\$2.5

Adjusted EPS Reconciliation

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
(Loss) per share, diluted (GAAP)	(\$0.20)	\$0.87	(\$0.63)	\$0.43
Accretion of interest attributable to acquisition installment payable	0.01	0.02	0.05	0.09
Fair value adjustment of contingent consideration	-	(1.12)	(0.13)	(1.24)
Trademark Impairment	0.04	0.18	0.04	0.18
Acquisition related costs	-	-	0.01	0.04
Nonrecurring Pega conversion fees	-	-	0.01	-
Minimum purchase commitment cost	0.02	-	0.05	0.02
Adjusted loss per share, diluted (non-GAAP)	(\$0.13)	(\$0.05)	(\$0.60)	(\$0.48)

(\$ in Millions)
As of September 30, 2023

Assets		Liabilities	
Cash & short-term investments	84.0	Accounts payable	22.6
Account receivable	37.7	Debt	0.8
Inventory (net)	100.5	Accrued comp. & other liab.	21.3
Other current assets	4.0	Acquisition pay. & cont. consideration	13.4
Total Current Assets	226.2	Paid-in capital	577.6
PP&E (net)	40.2	Accumulated deficit (net)	(191.1)
Intangibles and goodwill	166.0	Accumulated other comprehensive loss	(12.2)
Total Assets	432.4	Total Liabilities / Equity	432.4



- 01 Only diversified company focused exclusively on pediatric orthopedics
- 02 Large, underpenetrated market opportunity in pediatrics
- 03 Highly concentrated customer base with targeted commercial strategy
- 04 Broad product portfolio with innovative solutions
- 05 Only provider committed to pediatric clinical education
- 06 Dynamic, award-winning corporate culture
- 07 Proven commercial execution and attractive financial profile



